

1 on a numerical factor, that is, if there were more minorities
2 on the Board than there were whites, that is, if there was a
3 majority of minorities, that was the sole factor which would
4 determine whether Translator TV, Inc., could make claim to a
5 minority preference?

6 A Yes, sir. That's how I understood the policy.

7 Q No other factors were involved?

8 A No, sir. Not as enunciated as I read the Second
9 Report and Order or the August 1983 Public Notice on the form
10 itself.

11 Q Now, did the Directors have to be active directors?

12 A They had to be directors, real directors.

13 Q What do you mean by a real director?

14 A They had to be a director who was involved in atten-
15 ding meetings, voting at meetings, participating in the dis-
16 cussions that occurred at meetings and, in that process,
17 generally directing the affairs and policies of the company.

18 Q So, it's not merely numerical? They had to be --
19 strike that. The -- it was not merely a numerical factor that
20 led you to advise them that TTI was entitled to a preference?
21 It was more than that? That's what you are testifying to?

22 A I mean, I think you come to it by saying it's a
23 numerical calculation that one does. I never had any, any
24 suspicion that they weren't directors as is provided. I mean,
25 they, they were directors.

1 Q Let me give you a hypothetical, if I may, and this
2 is just so that I understand what it is -- what, what advice
3 you gave the people at TTI. If we had three directors, let us
4 just say they consist of Reverend Crouch, Mrs. Duff, and
5 Reverend Espinoza, and let's say that Reverend Espinoza did
6 absolutely nothing on the Board, nothing. Would TTI have been
7 able to make claim to a minority preference?

8 A No, sir, it wouldn't. If he wasn't a real director,
9 then they couldn't make -- lay claim to the, to the prefer-
10 ence.

11 Q And, now, I asked you a moment ago about what you
12 meant by real director, and you meant they had to participate
13 in the activities of the corporation?

14 A They had to go to meetings. They had to participate
15 in discussions at the meetings, vote at the meetings. And in
16 that process, they're adopting the policies and decisions that
17 the company is going to use to do business. And as long as
18 they're participating at that level, they're directors, and
19 the-- then I understood that they were qualified for purposes
20 of being able to certify a minority preference in these appli-
21 cations.

22 Q Did they have to control the corporation?

23 A The directors do control the corporation. So, as
24 long as the directors are going and voting, they are control-
25 ling the corporation.

1 Q What does control mean to you?

2 A The control factor in the -- in this case here,
3 where you talk about three directors, two of which are minori-
4 ty and one is a Caucasian?

5 Q Yes.

6 A In that instance, at least two of those three direc-
7 tors are minorities, and therefore a majority of the Board is
8 minority. That's a control number. And as long as the con-
9 trol number is that way --

10 Q Ownership equals control? Is that what you're
11 saying?

12 A Yes, sir. I mean -- yes, sir.

13 Q In determining whether TTI was entitled to claim a
14 preference, did you know at the time when you rendered this
15 advice that TTI had no bank account?

16 A I knew at the time that TTI really had not had any
17 business per se because there had been a freeze prior to the
18 issuance of the Second Report and Order and the new form
19 describing who could provide the certifications. So, I gue--
20 I, I guess -- I mean, I knew they weren't doing anything. I
21 don't know that I can say that I didn't know they didn't have
22 a bank account, but I sure knew they weren't doing any busi-
23 ness per se.

24 Q Well, they had Board meetings, did they not?

25 A Yes.

1 Q And you did know that TTI held its meetings jointly
2 with TBN?

3 A Yes, sir.

4 Q And you also knew that TBN's accounting department
5 was responsible for preparing all financial statements relat-
6 ing to TTI?

7 A Yes, sir.

8 Q You knew that at the time?

9 A I had been at some of the annual meetings at which
10 financial statements had been circulated, and I had noted that
11 National Minority, or Translator TV, was in those consolidated
12 reports.

13 Q And you, of course, also knew that you were repre-
14 senting TBN as well as NMTV?

15 A Yes, sir.

16 Q And you also knew that Norm Juggert was rendering
17 legal advice to TBN as well as TTI?

18 A Yes, sir. Yes, sir.

19 Q And you also knew that TBN was involved in fund-
20 raising for TTI at the time that you rendered this advice
21 about the minority preferences?

22 A Mr. Schonman, the only instance I can recall of
23 fund-raising is much earlier. In 1980, I believe, I was
24 aware, because I was very concerned about the Santa Anna
25 proceeding, that Trinity was going to have as one of its

1 projects in a telethon raising money for TTI. But after that
2 event occurred, which was, again, in late 1980, I don't be-
3 lieve I had any impression or understanding at all that they
4 were engaged in any sort of fund-raising at that point in
5 time. I mean, in other words, the company laid dormant for
6 all those years, other than meeting its requirements for the
7 annual meetings and this kind of thing.

8 Q Did you know at the time that you rendered this
9 advice about the minority preferences that TBN was holding out
10 to its Praise the Lord readers that TTI was a satellite divi-
11 sion of TBN?

12 A No, sir.

13 Q Now, you knew that Jane Duff was Assistant to the
14 President of TBN at the time that you rendered the advice
15 about the minority preferences?

16 A Yes, sir.

17 Q And that Jane Duff and Paul Crouch were both
18 Directors of TBN and TTI? You knew that as well?

19 A I knew Dr. Crouch was -- I don't remember exactly
20 when Mrs. Duff left the Board. If, if she was on the Board at
21 that time, I believe I was aware that she was. I just don't
22 recall the exact date that she resigned her position as a
23 Director of Trinity Broadcasting Network.

24 JUDGE CHACKIN: Would that fact have changed your
25 opinion as to whether they were entitled to win minority

1 preference, if in fact she was on the Board of Directors of
2 TBN?

3 MR. MAY: No, sir.

4 BY MR. SCHONMAN:

5 Q Now, since we're touching on the subject of who was
6 on the Board at, at this time in February of '84, do you
7 recall who was on TBN's Board at that time, February '84?

8 A No, sir.

9 MR. SCHONMAN: I think we can take it as a fact,
10 Your Honor, that, that Mr. Juggert, Mr. Crouch, Mrs. Duff, and
11 Janice Crouch made up the TBN Board in February of '84.

12 BY MR. SCHONMAN:

13 Q Now, do you recall who was on TTI's Board at that
14 time, February '84?

15 A Yes, sir. Dr. Crouch, Mrs. Duff, and Reverend
16 Espinoza.

17 Q Did you have any discussion with anyone at TBN or
18 TTI before the certifications were filed regarding the propri-
19 ety of claiming a diversification preference?

20 A Not that I can recall, no, sir.

21 Q Can we turn to Volume 2 of the Bureau's exhibits,
22 and I'd like to show you certain portions, if I may? I'll
23 give you an exhibit number in just a minute. Exhibit --
24 Bureau Exhibit No. 72. Mr. May, that's your signature on page
25 1 of Bureau Exhibit No. 72? Actually --

1 A No, sir, it's not.

2 Q You authorized your signature, your, your name to be
3 entered on this page?

4 A I, I see that it's initialled by JED. That would
5 have been my partner, Joseph Edward Dunne.

6 Q Did you prepare the certifications on page 2, 4, and
7 6 of this exhibit?

8 A Yes, sir.

9 Q How did it come that, that TTI is claiming a diver-
10 sification preference on the bottom half of those pages? Do
11 you see that?

12 A Yes, sir. I believe Mr. Cohen asked me about this
13 yesterday. Oh, I see. You're, you're, you're saying now that
14 there were four directors of --

15 Q No. My, my question is you testified that you
16 prepared the certifications.

17 A Yes.

18 Q Correct?

19 A Yes, sir.

20 Q And I asked you earlier whether you had any discus-
21 sions with anyone at TTI about the propriety of claiming a
22 diversification preference, and you testified you couldn't
23 recall.

24 A Yes, sir.

25 Q So, now, I'm, I'm showing you where, where it is

1 that TTI claimed a diversification preference, and I'm asking
2 you do you know how it is that TTI came to claim a diversifi-
3 cation preference?

4 A In my office I believe I filled the form out and
5 checked the box two there -- in question two, box yes, that
6 they were entitled to a diversification preference.

7 Q All right. Now, what documents, if any, did you
8 review as a basis for checking off "yes" to question number
9 two?

10 A I, I don't recall.

11 Q Well, what was your understanding as to what was
12 required to claim a diversification preference?

13 A Well, just as it's stated right here on the form,
14 that the applicant could certify --

15 Q I can read the form. What I'd like you to explain
16 to me what your understanding is --

17 A Well, in --

18 Q -- as to what the Commission requires.

19 A The Commission was entitling those applicants that
20 had -- in the case of a nonprofit company, if it did not have
21 a majority, that is, 50 percent or more, of your directors
22 that had an interest in a company that had other broadcast
23 holdings, 50 percent or more, you could certify a diversifi-
24 cation preference. If you had involvement in another broad-
25 cast company where a majority of your directors were more than

1 a majority of those directors, you couldn't claim the prefer-
2 ence.

3 Q All right. Now, can you relate how this understand-
4 ding -- strike that. How did that understanding relate to the
5 TTI/TBN situation?

6 A Well, I went through this calculation yesterday and
7 I realize now I, I was wrong because apparently there was four
8 Directors on Trinity Broadcasting Network, not just three.
9 But the calculation I think is still the same, that is, the --
10 Dr. Crouch and Mrs. Duff made up the Board of Directors of
11 Television Translator, but those two Directors only made up
12 half of the Directors of TBN because there were four. Two
13 from four was just exactly 50 percent, and the exclusion for
14 being able to claim the preference says exceeding 50 percent.
15 So, they were entitled to claim the preference.

16 Q Now, did you speak with anyone at all at TBN or at
17 TTI about the diversification preference?

18 A I don't recall that I did. I recall preparing the
19 form and sending it on.

20 Q Now, you attended the, the combined annual meeting
21 just about a month earlier, and if you turn back to Bureau
22 Exhibit No. 70 you'll see that, specifically page 2. Do you
23 recall attending that meeting? That's the meeting on January
24 20, 1984.

25 A Yes, sir. I see my name there. Yes, sir.

1 Q Do you recall discussing with anyone at the meeting
2 or around the time of this meeting about the diversification
3 preference?

4 A It's possible, Mr. Schonman, but I honestly don't
5 recall.

6 Q So, in other words, you, you didn't just -- you
7 don't recall this -- well, I'm getting ahead of myself. You
8 don't recall having any discussions with anyone at TBN or TTI
9 about the diversification preference?

10 A I'm sure I did. I just don't recall.

11 Q Okay. Given your understanding about what was
12 required to claim the diversification preference, isn't it
13 true that TTI could not have claimed the diversification
14 preference unless TBN had a fourth director?

15 A Yes.

16 Q At any time prior to February 1984, did you advise
17 anyone at TBN or TTI that TBN should have a fourth director?

18 A No, sir, not that I can recall.

19 Q Do you have any knowledge as to whether anyone from
20 your law firm advised anyone at TBN or TTI that TBN should
21 have a fourth director?

22 A No, sir, not that I can recall.

23 Q Do you recall in February '84 who sat on the Board
24 of Trinity Broadcasting of Florida?

25 A No, sir.

1 Q Mr. May, would you turn to -- I think we're on
2 Bureau Exhibit No. 70. I think I asked you to turn back to
3 that. That's the Annual Meeting. Would you turn to page 3?
4 And see the list of Trinity Broadcasting of Florida?

5 A Yes, sir.

6 Q Does that list of persons assist you in recalling
7 who at that time sat on the Board of Trinity Broadcasting of
8 Florida?

9 A Ye-- there's a listing provided here, yes, sir.

10 Q I'm sorry. Your response?

11 A That yes, there's a listing provided here of
12 Officers.

13 Q Does this assist -- does this list assist you in
14 recalling who sat on the Board? Not all these individuals are
15 necessarily Board members.

16 A I, I don't think that Mr. Ralph Duff was a Board
17 member. So, they -- and to that extent, my memory is re-
18 freshed, that I believe it must have been Dr. Paul Crouch,
19 Jane Duff, and Mr. Norm Juggert.

20 Q So, in other words, Trinity Broadcasting had --
21 Trinity Broadcasting of Florida, rather, had three Directors,
22 two of whom were Reverend Crouch and Mrs. Duff?

23 A I believe that's right, yes, sir. I -- I -- maybe
24 -- I mean, maybe, Mr., Mr. Ralph Duff or -- was in fact a
25 director at the time. I honestly don't recall.

1 JUDGE CHACHKIN: We could stipulate that he was
2 never a director, can't we, Mr. Topel?

3 MR. TOPEL: I can believe that he's been a --

4 JUDGE CHACHKIN: That he was never --

5 MR. TOPEL: I believe --

6 JUDGE CHACHKIN: -- a director?

7 MR. TOPEL: -- I believe that's correct. I'm not
8 aware that he was ever a director.

9 JUDGE CHACHKIN: All right.

10 MR. SCHONMAN: Assuming for a moment as fact that
11 Trinity Broadcasting of Florida consisted of three individu-
12 als, three Board members, to wit, Mrs. Duff, Paul Crouch, and
13 Norman Juggert, with that knowledge in mind, was it appropri-
14 ate for TTI to claim a diversification preference?

15 MR. MAY: Oh, I see your point. No, sir. The
16 calculation, no, sir, wouldn't have been right.

17 MR. TOPEL: Your Honor, may, may I have a minute off
18 the record?

19 JUDGE CHACHKIN: Yes.

20 (Off the record. Back on the record.)

21 JUDGE CHACHKIN: I should make a statement that
22 Glendale's Exhibit No. 220, the Reporter was given one copy
23 and permission is granted to withdraw for purposes of making
24 an additional copy --

25 MR. COHEN: Thank you, Your Honor.

1 JUDGE CHACHKIN: -- for the Reporter. Go ahead.

2 MR. SCHONMAN: I think Mr. Topel would like to --

3 JUDGE CHACHKIN: Yes, Mr. Topel?

4 MR. TOPEL: Again, in light of our off-the-record
5 discussion in which Bureau counsel was extremely cooperative,
6 the corporate minutes that are -- that we're using for this
7 examination are somewhat ambiguous as to exactly what the full
8 slate of the Board of Directors of Trinity Broadcasting of
9 Florida was at the time. I have no information to believe
10 that the predicate for Mr. Schonman's question about what the
11 Board was -- I have no basis to believe that that predicate is
12 not accurate. But the Bureau has, I believe, agreed that we
13 would like the examination on this issue to continue subject
14 to check and verification as to actually what the Board of
15 Directors was.

16 JUDGE CHACHKIN: Of course, Mr. Topel. Everything
17 is subject to check. If you have different information and
18 supply it, we'll certainly look at it differently. Go ahead,
19 Mr. Schonman.

20 MR. TOPEL: Thank you, Your Honor.

21 BY MR. SCHONMAN:

22 Q Just so the record is clear, Mr. May, when you
23 checked off in the affirmative, that is, that TTI was entitled
24 to a diversification preference, was it your testimony that
25 you did not check any documents before doing so, any records

1 that you may have?

2 A I don't, I don't -- I mean, I just don't recall the
3 specific process, but I can't say that I recall any documents.

4 Q Do you know how it is that Janice Crouch came to be
5 added to TBN's Board in May 1983?

6 A No, sir.

7 Q Did you ever advise or recommend or suggest to
8 anyone at TBN or TTI that Janice Crouch be added to TBN's
9 Board at any point in time?

10 A No, sir.

11 Q When did you become aware that Janice Crouch had
12 been added to TBN's Board?

13 A I'm sure within some short period of time after she
14 was added we would have filed an Ownership Report at the
15 Commission. I believe at that time the Commission's require-
16 ments were within 30 days or so you had to file an updated
17 report.

18 Q You primarily practice Communications law, is that
19 correct?

20 A Yes, sir.

21 Q Do you also practice estate planning for, for indi-
22 viduals? Did you ever do any work like that?

23 A Yes, sir.

24 Q And you've done corporate work for nonprofit
25 corporations?

1 A Yes, sir.

2 Q Outside of the FCC arena?

3 A Oh, yes, sir.

4 Q If you have three Board members, perhaps you can
5 enlighten us, if you -- if there are three Board members on a
6 nonprofit Board and -- can you strike that and, and bear with
7 me for one moment? I, I want to make sure I'm phrasing the
8 question properly.

9 MR. COHEN: Your Honor, could we go off the record
10 for a second? Are you, are you going to --

11 JUDGE CHACHKIN: I'm going to --

12 MR. COHEN: I'm going to do what I do best, Your
13 Honor.

14 JUDGE CHACHKIN: Five minutes. We're going to --

15 MR. COHEN: I thought while they were having that
16 off-the-record discussion --

17 JUDGE CHACHKIN: No. We'll, we'll proceed with five
18 minutes. Back -- we're still on the record.

19 BY MR. SCHONMAN:

20 Q Mr. May, if you have a, a nonprofit Board consisting
21 of three individuals and one of them dies or becomes incapacitated,
22 what is the process, if there is a process, for replacing
23 that individual if the minimum number of persons on the
24 Board is three?

25 A Usually the By-Laws will speak to that and say that

1 at any meeting in which a quorum exists that then the majority
2 vote at that meeting would still be a valid action of the
3 corporation. So, for example, if you had a Board with three
4 and only two members met and it was appropriate under the
5 By-Laws, that would be a quorum, and then they could meet and
6 vote, and if they voted unanimously to remove a particular
7 director they could do so or replace somebody or to take any
8 other action. It would certainly be legal.

9 MR. SCHONMAN: Your Honor, could we take that break
10 now? I --

11 JUDGE CHACHKIN: All right. We'll take a five-
12 minute break -- ten-minute break.

13 MR. SCHONMAN: Thank you.

14 (Whereupon, a short break ensued.)

15 JUDGE CHACHKIN: Mr. Schonman?

16 MR. SCHONMAN: Thank you, Your Honor.

17 BY MR. SCHONMAN:

18 Q Mr. May, can you turn to Bureau Exhibit No. 76,
19 please? It's a Praise the Lord, Praise the Lord Newsletter
20 for May 1984, and I'd like to direct your attention to page 5.
21 And specifically on page 5, the right-hand column, second item
22 from the top is a reference to "TBN Presents Felicidad." Take
23 a moment to -- you want to look at that?

24 Mr. May, do you recall seeing this newsletter in May
25 1984?

1 A No, sir.

2 Q Do you recall ever seeing any solicitation in refer-
3 ence to TTI being TBN's satellite division?

4 A No, sir.

5 Q Is this the first time that you're, you're learning
6 that TBN held out TTI as the satellite division?

7 A Mr. Topel had asked me about this within the last
8 several weeks. You know, sometime following the filing of
9 the, of the direct case material he had noted this and asked
10 me that question. He had asked me that, you know, then. So,
11 since when we filed all of these documents, the direct case
12 documents, but prior to that time, no, sir.

13 Q No, you had -- you did not know that TBN had held
14 TTI out in this manner?

15 A No, sir.

16 Q All right. I, I'd like to shift to a different
17 area, and that's the area of your law firm's billing prac-
18 tices. Now, as I understand your testimony, you considered
19 TBN to be a client and you also considered TTI or NMTV to be
20 another client, a different client?

21 A Yes, sir.

22 Q Two separate clients?

23 A Yes, sir.

24 Q Is it the practice of your law firm that a client
25 consists of an entity, an individual or a corporation or a

1 partnership, that that, that is what you consider a client to
2 be?

3 A I, I think all of the above.

4 Q And can a client have different matters, so to
5 speak?

6 A Yes, sir.

7 Q Can you give me an example of what you would con-
8 sider a different matter, or a matter that a client might
9 have?

10 A Yes, sir. The -- I can think that in some instances
11 they've got a facility in any given community and in that
12 community they also have a tax matter involving the local
13 franchise tax board, which may be attempting to assess real
14 estate taxes or other franchise taxes on the property of the
15 corporation. So, those are same, same client, different
16 matters.

17 Q So, you have, for example, Ajax Corporation has a
18 radio station in community A and, and any legal services that
19 you render regarding that radio station would be one matter
20 that you bill to Ajax Corporation? And if Ajax Corporation
21 has a -- something going on in tax court, that would be anoth-
22 er matter that you also bill to Ajax?

23 A It, it would be billed to Ajax, yes, sir.

24 Q Would, would Ajax have one account for several
25 matters?

1 A Yes, sir.

2 Q Now, has this method of keeping track of clients and
3 accounts and matters, has that been your firm's practice from
4 its inception?

5 A Yes, sir.

6 Q Now, you consider TBN to be a different client than
7 TBF, that is, Trinity of Florida?

8 A There was -- not really, no, sir. I mean, I re-
9 garded the -- all of the Trinity companies were basically the,
10 the same client, albeit they did have separate corporations.

11 Q So, for the purposes of billing, TBN would be the
12 client and TBF, that is, Trinity Broadcasting of Florida,
13 would be one of several matters that TBN has?

14 A No. No, it's not -- that wouldn't be the right way
15 to understand it. I mean --

16 Q Well --

17 A -- TBF is --

18 Q -- explain, explain it to me.

19 A -- a, is a separate client. But you asked me what I
20 regard them, and, I mean, they, they share -- I sort of look
21 at them as being the same, that, that Trinity of Florida,
22 Trinity of Arizona, Trinity of California, or Washington,
23 whatever the case may be, as basically being Trinity as it
24 were, although when I'm doing work for Trinity of Florida, I
25 try to designate that this is work for Trinity of Florida.

1 Q What is the link that leads you to believe that
2 Trinity of Florida is, is part of the Trinity client?

3 A Well, it's -- I mean, the name and the people that
4 are involved in the, in the organization.

5 Q What I'd like to do is turn to a, a typical bill of
6 yours, so we can turn to your Direct Testimony. That's
7 Trinity Exhibit 105, Tab D as in David. And this is a collec-
8 tion of many, many bills from your, your law firm. And I'm
9 just going to pick a page. Let's turn to page 13 because
10 that's such a good number.

11 A Yes, sir, I have it.

12 Q TBA I assume is Trinity Broadcasting of Arizona?

13 A Yes, sir.

14 Q And I see under services rendered it has a B as in
15 Baby number, B08?

16 A Yes, sir.

17 Q And TBD, what would that be?

18 A Trinity Broadcasting of Denver.

19 Q And that has a B19 number?

20 A Yes, sir.

21 Q What are those B numbers?

22 A They are numbers in which we track -- try to track
23 expenditures that are done on behalf of clients.

24 Q Well, is it a, a computer number or a photocopying
25 number?

1 A It, it's a number that we try to write down on
2 billing sheets and disbursement sheets.

3 Q Does your client Trinity -- is that all -- is any
4 matter that relates to Trinity, does that have a B number? Or
5 can B be for any client?

6 A Well, what we try to do is run them alphabetically,
7 clients, and so we run up a certain number in the A category
8 and we reach the number 99, then we go to the, to the B cate-
9 gory, and then you run up to 99, et cetera. So, in this
10 particular instance, these are within the B -- they're just --
11 it's just the way they've essentially randomly appear there.
12 I mean --

13 Q So, so, your client Trinity does not have necessar-
14 ily all B numbers?

15 A I think it works out that they do have all B num-
16 bers. I, I -- that I -- I gue-- yeah, I guess that's right.
17 Yes, sir.

18 Q Now, did you consider all the entities that are
19 listed on this page, that is, page 13 of Tab D? Do you con-
20 sider all these entities, for example, to be a -- under the --
21 to be a Trinity client, under the heading of the Trinity
22 client?

23 A No, sir. I mean, for purposes of the billing, I
24 send a statement to Trinity, but I don't regard that the work
25 that I've done, for example, for B47, International Minority

1 TV, to be work I did for TBN. I bill NMTV for that.

2 Q Is that how you work it now?

3 A No, sir. Since about August of 1992, in the wake of
4 the challenges that were filed by Mr. Cohen and, and his
5 people, I, I finally decided that if, if this is one of the
6 things that people are going to look at and say this is an
7 indicia by which there is this control or de facto control, I
8 simply segregated it out, and now they no longer appear on
9 these consolidated -- on this kind of a client statement.

10 Q So, explain to me why it is you, you don't follow
11 this practice anymore?

12 A I don't include National Minority TV on this billing
13 statement like this any longer because of the challenge that
14 in doing so I'm essentially providing an indicia of de facto
15 control between Trinity and National Minority.

16 Q And you want to avoid doing that?

17 A Yes, sir.

18 Q Now, do you maintain escrow accounts for each client
19 of yours?

20 A No, sir.

21 Q When do you maintain an escrow account?

22 A We have a, a, a client -- or, excuse me, a -- an
23 attorney escrow account, and we will place into that account
24 monies that have been given to us by clients, and that just
25 goes into that one account. It's an iota account under the

1 bar procedures, so that the interest on the account goes to
2 the bar, et cetera.

3 Q So, the client sends you money and you put that into
4 the, the client's escrow account?

5 A Into the -- we call it the attorney escrow account,
6 or May and Dunne escrow account.

7 Q Okay. Now, is it, is it partitioned out so that --
8 do you put money from all your different clients into one
9 account? I mean, is it mixed together?

10 A Yes. Unless there's a special project that -- for,
11 for which we need to set up a separate escrow account, there
12 is a single attorney escrow account that we put monies into.

13 Q And you keep track of how much money each client has
14 contributed towards that account?

15 A Yes. There's no interest -- well, there's interest
16 that bears on the account, but it goes to the bar program.
17 It's not money for which we then have to worry about allocat-
18 ing, saying: oh, this client had X percent of the total on
19 deposit, so it gets X percent of accrued interest. We don't
20 have that problem, and that's what enables us to put the money
21 into one place. And it just becomes a matter of logging in
22 what was depositing; and then when it is disbursed, what's
23 disbursed.

24 Q Do you -- and so you keep a log of how much money
25 each client has contributed towards this attorney escrow account?

1 A We know how much is -- yes, sir.

2 Q And you do that client by client?

3 A It's, it's like your lo-- it's like your checkbook.
4 I mean, you know when you make a deposit into the checkbook
5 and you identify from whom these funds came that you're making
6 the deposit for. And then when you disburse money, it is
7 disbursed on behalf of a client from that account. And you
8 know that you can't disburse more money on behalf of a client
9 than what they have deposited into the account.

10 Q Now, did you, did you testify earlier that NMTV you
11 would consider to be a separate client from TBN?

12 A Yes, sir.

13 Q And was that always the case?

14 A Yes, sir. I've always regarded National Minority as
15 separate.

16 Q Would your log, your escrow log, have shown contri-
17 butions and -- from NMTV as well as TBN?

18 A Yes. We would have kept track of fund, funds that
19 were sent to us by a client.

20 Q And when you wrote a check and drew on that account,
21 would it show on -- from, from which client's account that
22 money was drawn? From which --

23 A I mean, again, it's one account.

24 Q Yes.

25 A You just -- it's the client's funds being drawn out

1 of that account, and then we will -- we provide either, say,
2 a, a memorandum to the client saying: You sent us so much
3 money on this day. It's been dispensed as follows. The
4 balance is this. Or here's a check for the balance back to
5 you. And that's the way we zero out and know that we stay in
6 balance with what monies we receive on behalf of a client, and
7 then what we would disburse or otherwise then give to the
8 client as far as zeroing out that balance.

9 Q Is there ever a time that you would draw from this
10 account for one client, on behalf of one client, if that
11 client had not had any money deposited in the account?

12 A Not unless there was an authorization from one
13 client saying you, you have my permission to use X dollars
14 which I may have on deposit in your escrow -- your lawyer's
15 escrow account for this other client.

16 Q Did that ever happen with TBN and TTI?

17 A I think that occasionally did, yes, sir.

18 Q Can you give me an example of when it happened?

19 A I believe there was an instance in which there was a
20 filing window set up for Television Translator applications
21 and we received a deposit that came to us on a Trinity
22 Broadcasting check. And the statement was that this is
23 intended for filing fees. And we disbursed monies out of our
24 account for those filing fees. There was also then a need
25 for, I believe, another company, Community Educational